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CENTRAL INTELLIGENCE AGENCY

INFORMATION REPORT

REPORT NO. [REDACTED]

CD NO. [REDACTED]

COUNTRY Austria/USSR/Bulgaria

DATE DISTR. 17 February 1949

SUBJECT Transactions between USIA and
25X1A6a Bulgarian Trade Delegation in Vienna

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PLACE
ACQUIRED [REDACTED]

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25X1X6 [REDACTED]SUPPLEMENT TO
REPORT NO. [REDACTED]

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1. The Soviet-controlled Bahnbedarf A.G. has received an order, signed by Donchev and Martinov of the Bulgarian Trade Delegation in Vienna, for 8,500 passenger train hand-forged steel couplings for a total cost of 11,475,000 schillings. The couplings are to be delivered in 1949. Source states that the price is high, but that the Bulgarians will probably pay with schillings which they have earned in their black market transactions in Austria (see [REDACTED] Comment below).

2. The Bulgarian Trade Delegation has also requested USIA bids on three complete mobile railway cranes of 25 to 30 tons capacity and one of 60 to 80 capacity tons for delivery to Metal Import, Sofia. Bahnbedarf estimates the cost of all four cranes at approximately 6,000,000 schillings.

3. [REDACTED] there were no Austrian Government representatives present at the negotiations, and that all correspondence concerning the above orders was exchanged directly between the Bulgarian Trade Delegation and USIA Trattnerhof or Bahnbedarf without reference to the Austrian Government. Therefore, the transactions are apparently extra-legal and not a part of the Austro-Bulgarian Trade Agreement.

Comment: The probability that these transactions were not sanctioned by the Austrian Government is borne out by the following:

- a. The fact that the proposed USIA-Bulgarian Trade Agreement totaling 70,000,000 schillings was exposed by the local press late in December 1948. The Communist press and the Bulgarian Legation in Vienna denied the existence of such an agreement, but it is generally doubted here that the exposure halted extra-legal exchanges of Austrian raw materials and industrial goods for Bulgarian perishables.

- b. In a report dated 27 January 1949, [REDACTED] the Bulgarian Trade Delegation ordered 400,000 schillings worth of narrow gauge wheels and axles from Bahnbedarf. The approximately 18,000,000-schilling total of these three Bahnbedarf orders far exceeds the clauses in the official Austro-Bulgarian Trade Agreement which might cover the above-mentioned types of rail equipment.)

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